

From: [Moore, Gary](#)
To: [Gee, Jo](#)
Subject: Re: TO 62 - charges for the removal work at the CES Environmental Services site
Date: Wednesday, February 18, 2015 6:21:56 PM

JoAnn:

Item 1: I do not believe that they are charging hours that they are not working but I do believe that the hours they are charging are a result of an inefficient process which results in significant hours. Contracting for Government Remedial Contracts and Construction Contract is way different than and Emergency and Rapid Response Services Contract which requires efficiency and quickness. This is what is not being recognized by the CB&I Management. Also, this is the first I have heard of subcontracting saving me money by negotiations with the vendors. Of course, part of their job is to obtain the best rates for the government. Typically, change orders are not considered a good thing but this is a routine part of the CB&I process which seems to be inefficient. The majority of the change orders are because they subcontracted for a limited amount and then have to change it because they are going to or have exceeded the amount in the subcontract (not because of change of conditions). It is used more as a do not exceed. The items subcontracted do not really need a do not exceed because we control the equipment or disposal.

2 and 3: My issue here is regardless of when the decision is made to purchase the item due to damage, why should we be paying both rent and also purchase. This has not yet been charged to us but I don't think it is appropriate to be charged both. I will need to get direction from the appropriate person.

Thanks

Gary Moore

Federal On-Scene Coordinator

U.S. EPA Region 6

214-789-1627 cell

214-665-6609 office

moore.gary@epa.gov

From: Gee, Jo
Sent: Wednesday, February 18, 2015 3:20 PM
To: Moore, Gary
Subject: FW: TO 62 - charges for the removal work at the CES Environmental Services site
[I expect Latrice will send to you also....](#)

From: Oser, Dan [mailto:dan.oser@CBIFederalServices.com]

Sent: Wednesday, February 18, 2015 3:01 PM

To: Williams, Latrice; Neal, John; Carlascio, Angela; Theisen, Aimee

Cc: Gee, Jo; Cassidey, LeRoy

Subject: RE: TO 62 - charges for the removal work at the CES Environmental Services site
Latrice, per your request, below is our response to the OSC's inquiry.

- 1. Subcontract/Purchasing:** The number of hours for the subcontracting/purchasing is unusually high for this project when compared to the number of total hours for a Response Manager. The number of subcontracting/purchasing hours is 661 hours, and the number of Response Manager hours is 697.25 hours. As a result, I hereby request an explanation for the excessive subcontracting/purchasing hours.

- With regards to the number of subcontracting/purchasing (procurement) hours charged versus the number of Response Manager (RM) hours charged, the procedure is that the RM directs the procurement personnel to conduct that course of business while the RM continues to manage other areas of the Task Order (TO). During this effort, both the procurement personnel and the RM are actively engaged in supporting and executing the SOW of the TO. The efforts of each are not such that one is charging time while the other is not. The procurement person is charging time for their efforts in subcontracting and purchasing while the RM is managing their time amongst the various responsibilities of the TO. The procurement person also reviews the invoices once the billing activity starts to ensure the accuracy of the charges to the government.
 - To date, \$1.3M has been awarded in subcontracts – 38 Orders & 26 Change orders.
 - The procurement effort has resulted in approximately 10-12% cost savings through negotiations by Phillip Joseph with the low bidder, resulting in a direct cost savings to the government of approximately 130k - 150k.
 - CB&I firmly asserts that the subcontracting/procurement hours are not excessive but rather a necessary component of the executing Contract EP-S6-07-02.
2. **Adler Berm and Truck Guards:** On January 15, 2015, CB&I informed the CO and PO of CB&I's credit memo dated January 5, 2015 to Adler regarding a change in the equipment agreement from rental to purchase due to damaged equipment (i.e. inability to decontaminate). As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.
- The Adler Berm and Truck Guards purchase prices have not yet been recorded on a 1900-55. The purchase price is still being negotiated.
 - The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.
3. **Airgas Equipment:** This equipment was damaged due to chemical contamination/permeation. As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.
- The purchase price for the Airgas equipment has not yet been recorded on a 1900-55. The purchase price is still being negotiated as an acceptable depreciation cost has yet to be agreed upon.
 - The rental charges are not being removed from the 1900-55 because the item was rented up until the time it was requested for purchase. The rental charges are valid and are being processed accordingly.

Respectfully,



Dan Oser, PMP

Program Manager

CB&I Federal Services

Contingency Operations

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From: Williams, Latrice [<mailto:Williams.Latrice@epa.gov>]

Sent: Thursday, February 12, 2015 8:19 AM

To: Neal, John; Oser, Dan; Carlascio, Angela; Theisen, Aimee

Cc: Gee, Jo; Cassidey, LeRoy

Subject: TO 62 - charges for the removal work at the CES Environmental Services site

Kevin and Dan:

The On-Scene Coordinator is questioning charges for the removal work at the CES Environmental Services site. Please respond to the following requests:

1. **Subcontract/Purchasing:** The number of hours for the subcontracting/purchasing is unusually high for this project when compared to the number of total hours for a Response Manager. The number of subcontracting/purchasing hours is 661 hours, and the number of Response Manager hours is 697.25 hours. As a result, I hereby request an explanation for the excessive subcontracting/purchasing hours.
2. **Adler Berm and Truck Guards:** On January 15, 2015, CB&I informed the CO and PO of CB&I's credit memo dated January 5, 2015 to Adler regarding a change in the equipment agreement from rental to purchase due to damaged equipment (i.e. inability to decontaminate). As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.
3. **Airgas Equipment:** This equipment was damaged due to chemical contamination/permeation. As a result, CB&I agreed to modify the 1900-55 to reflect the purchase price minus depreciation costs and to enter a credit for the rental charges. I hereby request the revised 1900-55 by Wednesday, February 18, 2015.

Best regards,

Latrice Williams

Contracting Officer

Environmental Protection Agency

Procurement Section

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